



CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

November 14, 1997

S. 714

Veterans' Benefits Act of 1997

As cleared by the Congress on November 10, 1997

The bill would raise direct spending by \$1 million each year in 1998, 1999, and 2000 by extending a home loan program and reappropriating funds for the program. Section 201 would extend through December 31, 2001, the Native American Home Loan Program which provides direct home loans to veterans living on trust lands. Since the program's inception in 1993, the Department of Veterans Affairs (VA) has made about 165 loans and used \$1.3 million of the \$4.5 million available in subsidy appropriations. S. 714 would extend the availability of the remaining \$3.2 million, which would constitute a reappropriation. CBO estimates VA would subsidize about 100 loans a year at an annual cost of about \$1 million a year. Those costs would be direct spending through 2000, but would be subject to appropriations thereafter.

Other sections of the bill would affect direct spending, but CBO estimates that the budgetary impact would be insignificant. Section 205 would extend through December 31, 2001, the authority of VA to enter into a limited number of enhanced-use leases. Under this authority, VA leases portions of its real property in return for cash or in-kind services. Cash receipts would be spent for nursing home and medical care expenses. Section 401 would provide for an increase of about \$220 per month in educational assistance for those individuals who, as of December 31, 1989, were entitled to benefits under Chapter 34 and who are pursuing a program of cooperative education. Section 404 would modify eligibility requirements for benefits payable to children of Vietnam veterans if the children suffer from spina bifida.

This estimate was prepared by Sunita D'Monte. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.